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# Senators press CIA's Gates to explain shifts in his testimony on contra aid

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WASHINGTON — Robert M. Gates, facing tough Senate questioning yesterday on his nomination to become director of central intelligence, said he had only "flimsy" suspicions about a possible diversion of funds from Iranian arms sales to the contra rebels and recanted his earlier testimony that Lt. Col. Oliver L. North had suggested to CIA officials that there was a link between the two operations.

Mr. Gates, whose confirmation hearings before the Senate Select Committee on Intelligence will resume today, came under heavy fire yesterday from committee members who asked why, as deputy director of the CIA, he had not sought an intensive investigation into a possible Iran-contra funds diversion after a top CIA analyst first broached his suspicions of such a diversion in a

meeting with Mr. Gates Oct. 1, 1986.

Mr. Gates testified that the concerns of the analyst, Charles Allen, were based on "flimsy" evidence and "suspicions." He also said that Colonel North had made a "cryptic remark about Swiss accounts and the contras" during an Oct. 9, 1986, meeting, but that it was only in the context of the private aid network for the rebels and the downing of a private plane carrying Eugene S. Hasenfus in Nicaragua.

That version of events was characterized by Sen. Arlen Specter, R-Pa., as "a shift in testimony" from last December, when Mr. Gates appeared in secret hearings before the intelligence panel, which was then probing the Iran-contra affair.

According to a declassified, 105-page transcript of the Dec. 4, 1986, appearance by Mr. Gates that the intelligence panel released late yes-

terday, the witness said then that at the meeting with Colonel North, "there was a discussion of Ghorbanifar's financial disarray and the problems that he was having," a reference to Manucher Ghorbanifar, the middleman in the arms deals. "North then made a very cryptic reference to a Swiss account and money for the contras," the transcript of Mr. Gates' testimony said.

In that testimony, there was no reference to any discussion of the downing of the plane carrying Mr. Hasenfus.

Mr. Gates explained the discrepancy yesterday by saying that he had had "very little time" to prepare for the December testimony and that he later realized the discussion of a Swiss bank account and aid to the contras was "in the context of Hasenfus" and the private aid network, without any connection to the Iranian arms deals.

Mr. Gates said yesterday that he "did not pursue" Colonel North's remark "first, because it involved funding for the contras or appeared to — I did not really understand

what he was talking about." Mr. Gates said he did raise the issue with then-CIA Director William J. Casey, who also attended the meeting with Colonel North, but Mr. Casey "either hadn't heard or picked up on the remark at all, or seemed unconcerned, so I did not pursue it further."

Sen. Bill Bradley, D-N.J., suggested that Mr. Gates "chose not to know" what was going on, while Sen. William S. Cohen, R-Maine, suggested that Mr. Gates, who was new in the post of deputy director of the CIA last year, had sought to preserve his career by not challenging the arms deals.

"You were the new kid on the block. . . . You basically didn't want to rock the boat. . . . You didn't want to know the details," Mr. Cohen said.

Mr. Gates said that he did not want to pursue the question of private aid to the contras because there was a congressional ban in effect until Oct. 1, 1986, on any official participation in military aid to the rebels and the CIA "did not want to do anything that could be misinterpreted as a CIA violation of the statutory prohibitions." In addition, other

laws bar the CIA from investigating U.S. citizens, such as some of those involved in the private contra aid network, he said.

Mr. Gates also testified that, contrary to published accounts and his own testimony last December, a New York businessman, Roy Furmark, did not mention a possible diversion of funds from the arms deals when he first contacted Mr. Casey last Oct. 7. The nominee said he had informed the intelligence panel of this revised version of events shortly after he appeared last December.

Mr. Gates said that Mr. Furmark, a New York businessman with ties to some of the intermediaries in the arms deals, broached the issue of the diversion of funds only in late October in interviews with other CIA officials, at which he said it was the "belief" of Mr. Ghorbanifar that money from the arms sales had been "earmarked for Central America." Mr. Gates said he was overseas at the time and did not learn of Mr. Furmark's comments until after the suspected diversion was disclosed by Attorney General Edwin W. Meese III on Nov. 25, 1986.

The nominee did acknowledge

that the agency had shown "shortcomings" in the Iran arms affair, including providing help for a November 1985 arms shipment when there was no presidential authorization for CIA involvement. He also cited a continuing probe of a CIA official in Costa Rica who is believed to have helped the contra aid network.

Mr. Gates also said that he disapproved of keeping Congress in the dark for so long about the Iranian arms sales operation and that the president's decision to do so "stretched the comity . . . to the breaking point" between intelligence agencies and Congress. In the future, he said, he would "contemplate resignation" if Congress were not notified within "several days" that a covert operation had begun, except in certain "life or death" situations.

If he is confirmed, Mr. Gates, 43, would be the youngest director in the history of the CIA and only the third career intelligence officer to head the agency. The Senate is not expected to act on his confirmation until after release of a report later this month by a presidential investigative commission headed by former Sen. John G. Tower, R-Texas.